

Dear Ms. Webb,

This letter is in response to the current proposal by the CME to expand the daily trading price limits in Live and Feeder Cattle futures. My belief is that the proposal put forward by the exchange is a faulty one. In over twenty years of futures trading, my experience has been that daily price limits have had an overwhelming stabilizing effect on price action. Quite often, the Live Cattle market will rise or fall the daily price limit and pause at that level before reversing its direction, with the limit move serving as a circuit breaker of sorts. Having said that, I am comfortable with the idea of increasing the daily trading range in response to recent rapid price movement, but to double it without any attempt to phase in the changes is ultimately irresponsible and will lead to more price volatility, not less. I suggest that a more reasonable solution would be to change the limits to \$.020 and see what effect, if any, there is on price action. The ultimate goal in my opinion is to encourage orderly price action, not the potential for major price swings that expanding the limits by \$.030 would allow.

Another point of contention among the Trading Floor community is the way in which this proposal was put forward. I believe that I can speak for many of my colleagues when I say that we feel that our opinion was not seriously considered by the exchange when this proposal was made. I will not belabor the circumstances, because they were explained quite well in the letter sent to the Commission by my colleague Jack R. Weaver on 12/10/03. Suffice it to say that there is a genuine feeling of disenfranchisement in the Trading Floor community.

In conclusion, I would like to thank the Commission for this opportunity to express my opinion and would like them to pause and reconsider before approving the current proposal by the CME. If any further clarification is needed feel free to contact me by email or phone at 312-638-3506.

Sincerely,

Robert Lassandrello